

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF RONALD A.) APPEAL NO. 07-A-2583
RAUSCH from the decision of the Board of) FINAL DECISION
Equalization of Valley County for tax year 2007.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing February 14, 2008, in Cascade, Idaho before Presiding Officer Steve Wallace. Board Members Lyle R. Cobbs, David E. Kinghorn and Linda S. Pike participated in this decision. Appellant Ronald A. Rausch appeared at hearing. Assessor Karen Campbell, Chief Deputy Assessor Deedee Gossi and Appraiser Julie Yates appeared for Respondent Valley County. This appeal is taken from a decision of the Valley County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. RP001800040030A.

The issue on appeal is the market value of residential property.

The decision of the Valley County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$154,360, and the improvements' valuation is \$176,690, totaling \$331,050. Appellant requests the land value be reduced to \$110,000, and the improvements' value be reduced to \$157,040, totaling \$267,040.

The subject property is a .93 acre lot located in Donnelly, Idaho. Subject improvements include a 1,594 square foot residence, a 672 square foot garage, a pole building, two sheds and a large amount of wood decking. The County Appraiser described the residence as "fair grade" and in good condition for the year built.

Appellant argued the assessment was not reflective of market value when compared to similar selling properties located in the area.

The taxpayer received two assessment notices. The first assessment valued the subject land at \$198,120. The second notice assessed the land at \$154,360, and increased the value for improvements to \$176,690. According to Appellant, the initial assessment of the improvements was correct, but the final assessment exceeded the fair market value. Appellant claimed the land's assessment gives square footage too much consideration. It was contended the improvement assessment did not give adequate consideration to the age of the buildings. Appellant argued larger properties generally support less value per square foot than smaller properties.

Appellant offered evidence of prices on five (5) vacant lots. All were located within one (1) mile of subject. The lots ranged in size from .35 to .78 acres and in price from \$75,000 to \$105,000. The land sales took place from August 2006 to January 2007. The .78 acre lot did not include "on site improvements". Within subject's assessed land value was \$8,000 for such improvements which include well, septic system and private access road or driveway. Taxpayer also presented five (5) improved sales. All were located within about four (4) miles of subject. The residences ranged in size from 1,425 to 1,800 square feet. The improved sales had closing dates from May 2006 to April 2007. Sale prices ranged from \$220,000 to \$319,000. Taxpayer also stated subject residence's age would make it more difficult to sell than the offered sales.

Appellant included a "Broker's Opinion of Value" at \$267,040. The opinion reported subject's value was estimated after examining comparable land sales that closed within six (6) months prior to January 1, 2007 or within three (3) months after. The opinion of value was prepared by Appellant and signed by the Broker.

The County explained why multiple assessment notices were issued for the subject parcel. It was driven by various equalization considerations.

Respondent offered three (3) land sales to support the value of the subject lot. Two sales were located in subject's subdivision. Aside from a shed located on one property, the sales were for bare land. The assessed value to sale price ratio for the land sales ranged from 52% to 83% and indicated an average ratio of 69%. Respondent contended the data demonstrated a trend for property like subject to sell for more than the values estimated by the Assessor.

Respondent did not offer support for the improvement assessment. Nor was the issue of age on market value addressed.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho uses a market value standard in the assessment of taxable property. Idaho Code § 63-201(10) defines "market value" as follows:

[T]he amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

The subject assessment must reflect the property's market value for it to be fair or legal. Section 63-511(4) places the burden of proving error on the Appellant, and lays out a preponderance standard regarding the burden of proof. The value of property for purposes of taxation as determined by the assessor is presumed to be correct; and the burden of proof is upon the taxpayer to show by [a preponderance of the] evidence that he is entitled to the relief claimed." Board of County Comm'rs of Ada County v. Sears, Roebuck & Co., 74 Idaho 39, 46-

47, 256 P.2d 526, 530 (1953).

While Appellant did offer land sales located near subject and also submitted improved sales, it was not demonstrated that the assessment was excessive or otherwise erroneous. Appellant's comparable land sales demonstrate that there exists a potential for property values to be lower in the area than that of the subject valued by the assessment. However, Appellant fails to paint a convincing picture as to the land value due to the fact that each comparable property is significantly lower in size than the subject.

Idaho Code § 63-205(1), quoted in pertinent part below, requires property be assessed each year given its status and value on January 1. That marketplace price evidence from Appellant from after January 1, 2007 could not be considered.

All real, personal and operating property subject to property taxation must be assessed annually at market value for assessment purposes as of 12:01 a.m. of the first day of January in the year in which such property taxes are levied, except as otherwise provided.

Appellant presented more sales information than the Assessor pertaining to the subject improvements' value. However, the subject property contained a number of outbuildings where the comparable sales did not. In isolating the subject residence to compare with Appellant's improved comparable sales, the assessed value was \$94 per square foot. This was well below the price per square foot of the comparable sales. It was not persuasively demonstrated that the subject outbuildings would not contribute value.

In conclusion, Appellant presented extensive sales evidence and associated analysis. The value claim was supported, however in the final analysis the Board finds the case presented did not prove error or over-assessment by a preponderance of the evidence. The subject lot was relatively large and subject had rather extensive improvements also. The Assessor gave

attention to all factors that would reasonably bare on subject's market value. Appellant's case was weak in some comparative respects. Therefore the value decision of the Valley County Board of Equalization will be affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

MAILED April 4, 2008